

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BlackRidge Financial, Inc.

Point of Contact:	Craig Weiss	RSSD: (For Bank Holding Companies)	3398070
UST Sequence Number:	1014	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	May 22, 2009	City:	Fargo
Date Repaid ¹ :	N/A	State:	North Dakota

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Average commercial and consumer had increased as much as 5% since receipt of CPP funds. Loans have now fallen back to pre-CPP funds levels as the economy has slowed.

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☒ To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Major increases in loans occurred primarily in the commercial real estate and small business lending areas. As noted above, with the slowing economy loans have fallen back to pre-COO levels.

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

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☒ **Increase reserves for non-performing assets.**

Loan loss reserves, both \$ and as a % of loans have increase since receipt of CPP funds.

☒ **Reduce borrowings.**

CPP funds were used to reduce borrowings that were used to inject capital in the bank to support future growth.

☐ **Increase charge-offs.**

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<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
Empty space for response	

<input type="checkbox"/>	Held as non-leveraged increase to total capital.
Empty space for response	

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

CPP funds allowed us to avoid raising more costly capital to support expansion activities at a time when it was difficult to raise private equity.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

the company was able to expand into a new market that we did not previously serve.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.